

Atari Corporation

**FIRST  
QUARTER  
REPORT**

1992

**ATARI CORP.**  
Consolidated Balance Sheet  
(In thousands)

	<i>March 31, 1992</i>	<i>March 31, 1991</i>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and equivalents	\$ 60,048	\$ 35,179
Trade receivables (less allowance for re- turns and doubtful accounts: 1992: \$6,960 1991: \$7,952)	52,795	56,126
Inventories	67,054	106,064
Prepaid expenses and supplies	4,056	5,825
Other current tax assets	1,352	1,352
Total current assets	185,305	204,546
Property, net	11,309	12,811
Other Assets	5,596	4,402
<b>Total</b>	<b>\$ 202,210</b>	<b>\$ 221,759</b>

# PORATION

## Balance Sheets

(S--Unaudited)

	<i>March 31, 1992</i>	<i>March 31, 1991</i>
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### Liabilities and Shareholders' Equity

#### Current Liabilities:

Notes payable	--	\$ 21,322
Accounts payable	\$ 24,365	39,618
Income taxes payable	1,103	644
Accrued liabilities	15,640	16,651
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Total current liabilities	41,108	78,235

#### Long-term Obligations

	50,200	46,186
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#### Shareholders' Equity:

Common stock, \$.01 par  
value: authorized,  
100,000,000 shares;  
(outstanding:

1992: \$57,502,142		
1991: \$57,743,042)	575	577
Additional paid-in capital	142,981	143,529
Notes receivable from sale of common stock	(199)	(614)
Accumulated deficit	(29,283)	(43,041)
Accumulated translation adjustments	(3,172)	(3,113)
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Total shareholders' equity	110,902	97,338
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#### Total

	\$202,210	\$221,759
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**ATARI CORPORATION**  
**Condensed Consolidated Statements**  
**of Operations**  
(In Thousands, Except Per Share Data)  
(Unaudited)

	<i>March 31, 1992</i>	<i>March 31, 1991</i>
<b>Net Sales</b>	\$ 44,079	\$ 63,444
Income (loss) before income taxes	(13,857)*	(3,911)*
Provision (credit) for income taxes	(9)	36
Income (loss) before extraordinary item	(13,848)	(3,947)
Extraordinary item	-0-	1,960
Net income (loss)	<u>\$(13,848)</u>	<u>\$(1,987)</u>

**Earnings per Common and  
Equivalent Share:**

Income (loss) before extraordinary item	<u>\$ (0.24)</u>	<u>\$ (0.07)</u>
Net income (loss)	<u>(0.24)</u>	<u>(0.03)</u>
Weighted average number of shares used in the com- putation	<u>57,585</u>	<u>57,747</u>

*\*Includes loss on exchange of \$12.1 million in 1992 and \$4.0 million in 1991.*

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## President's Message

Net sales were \$44.1 million as compared to \$63.4 million for the same quarter in 1991. A significant portion of the company's business is derived from Europe and as a result is subject to fluctuations in exchange rates. In the quarter ended 1992, the Company experienced a loss in exchange of \$12.1 million as compared to a \$4 million loss in 1991. These losses in exchange, when added to operating losses and other income and expense items, resulted in a net loss of \$13.8 million for 1992 compared to a net loss of \$2 million in 1991.

The development of our new products is proceeding. During this difficult period, we are reducing costs, and we are balancing inventories to be in line with sales.

A handwritten signature in dark ink, appearing to read 'Sam Tramiel', with a stylized, flowing script.

Sam Tramiel,  
President



Atari Corporation

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